

Information Book

for

Landowners

about the

Public Utilities Commission of New Ulm

Proposed 4.56 Mile Natural Gas Pipeline

in

Brown County, Minnesota

prepared by

Minnesota Environmental Quality Board

for

Public Utilities Commission of New Ulm, MN

May 2003

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Introduction

This information book has been prepared by the Minnesota Environmental Quality Board staff for landowners who may be affected by a proposed 4.56-mile natural gas pipeline project to be constructed by the Public Utilities Commission of New Ulm, MN (PUCNU). Much of the information in this book was provided by PUCNU to the EQB staff.

This information book provides information about: the PUCNU, purpose of the pipeline project, project description, required permits, payment and compensation to landowners, and pipeline construction and inspection procedures. This book is intended to provide a clear understanding of the proposed project and is to be distributed by PUCNU to each landowner/tenant along the proposed route.

The PUCNU is the utility for the City of New Ulm, MN. Currently, PUCNU receives all of its natural gas from Northern Natural Gas Company whose natural gas supplies come mostly from the south. This proposed pipeline project would provide additional capacity to serve the peak-day needs of New Ulm consumers and access to additional competitively priced gas supplies, including Canadian supplies.

The Minnesota Environmental Quality Board and PUCNU want to make certain that there is as little disruption as possible and that land is returned, as nearly as practical, to its previous condition and contour after construction is completed. PUCNU sincerely believes that an informed and open working relationship between private landowners and PUCNU is of paramount importance.

A public information meeting will also be scheduled by the Brown County Board to give interested persons an opportunity to comment on the PUCNU proposed pipeline project. The time and place of this meeting will be announced and published in a newspaper in the New Ulm area. Affected landowners will also receive by mail notice of the public information meeting. After the information meeting is held, PUCNU right-of-way representatives will contact each landowner to arrange for an individual meeting.

The purpose of these individual meetings is to explain the project, answer any other questions the landowner may have about the effects of the pipeline project on their property, and to obtain the necessary easements for the pipeline.

Landowners or tenants who have questions after reading this information book are requested to call or write the PUCNU or the Minnesota Environmental Quality Board at the addresses below.

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Information Book Requirements

Minnesota Statutes, section 116I.03 establishes the requirements for what type of information is to be provided in an “Information Book.” The following identifies the information requirements and provides the necessary information:

1. A description of the pipeline proposed for construction, including the proposed route, types of commodities to be carried, size of the line and construction and operational characteristics.

A. Proposed route. The proposed natural gas pipeline, approximately 4.56 miles in length (See project location map-Exhibit A), will begin in the southeast 1/4 of section 2 in Milford township at an interconnection point with the Hutchinson Utilities Commission (HUC) pipeline scheduled for construction this summer. From this interconnection point, the pipeline will proceed in a southerly and easterly direction to a regulator located on the existing distribution piping within the city of New Ulm. The proposed pipeline will be located in the townships of Milford and Cottonwood North and in the city of New Ulm. All of the proposed pipeline and associated facilities are located in Brown County.

B. Proposed project. The proposed natural gas pipeline will have an 8-inch outside diameter, with a wall thickness of 0.250 inches, for approximately the first 8,500 feet and a 6-inch outside diameter, and a pipe wall thickness of 0.250, inches for the remainder of the line. The maximum operating pressure will be 275 pounds per square inch gauge (PSIG). PUCNU specifications for the new steel pipe to be used in construction will meet all the requirements of the American Petroleum Institute (API) for 5L-X52 grade pipe, plus additional specifications regarding metallurgical inspections, testing and quality control. The proposed pipeline will be buried 54 inches below the surface of the ground, unless the landowner agrees to a waiver of the depth of burial requirements established in Minnesota Statutes, section 116I.06.

C. Associated facilities. All pipelines have above ground associated facilities. For the PUCNU project, these facilities include: regulation and heater facilities at the interconnection with the HUC pipeline, a side valve riser located at approximately the 11/2 milepost, and a regulation setting at the terminus of the pipeline. Other above ground facilities will be caution markers that show the location of the pipeline at all roads, railroads and property fence lines. Cathodic test stations will also be located at the same places as the caution markers crossings.

D. Route features and impacts. The terrain to be crossed ranges from flat floodplain to gently rolling. Outside of the New Ulm city limits the land is predominately agricultural with a small percentage of woodlands.

All highways, railroads and drainage ditches crossed by the new pipeline are shown on the route map in Exhibit A. All road crossings will be bored and or installed otherwise as required by local governmental units or state officials. See Exhibits 3, 4 and 5.

One state highway and one federal highway will be crossed by the new pipeline. One railroad, the Dakota, Minnesota Eastern, will also be crossed.

The majority of the land crossed by the pipeline outside of the city limits is agriculture. No rivers or streams will be crossed. There are no known areas of historic value on the route; however, the Minnesota Historical Society will be contacted for confirmation. If drainage tile crossings are encountered, the method of repair will be as indicated in Exhibit 2, unless otherwise specified by the landowner. Temporary gates and fences will be installed where necessary and be repaired to the satisfaction of the landowners after the completion of construction. See Exhibits 1 and 1B.

All reasonable efforts will be made to reduce soil compaction and the mixing of topsoil and subsoil.

Some noise pollution will occur during construction. This noise will be the typical sounds resulting from the use of heavy construction equipment, which approximates the decibel level of heavy farm machinery. The contractor will probably work 10 hours per day, 7:00 A.M. to 5:30 P.M., and six days per week. Construction is expected to begin in late July.

If the pipeline is hydrostatically tested, water will be obtained locally and in accordance with the provisions of Minnesota Department of Natural Resource permits. After the testing has been completed, the water will be disposed of in accordance with the provisions of Minnesota Pollution Control Agency discharge permits. Because the pipe is new, water used as the test medium for applying pressure does not undergo change. The pipeline may be tested with nitrogen instead of water to eliminate the drying process required when water is used.

E. Pipeline construction schedule and sequence. Actual construction time is estimated to be approximately forty-five (45) days. Individual landowner's property, under normal weather conditions, will be disturbed over a period of one to two weeks. Cleanup will take place on a continuing basis. PUCNU hopes to complete construction and have the pipeline in operation by September, 2003.

Prior to the actual construction of the pipeline, a representative from PUCNU will attempt to advise each landowner when construction will begin and how long it is expected to take. Once construction begins, the contractor will proceed in a timely, good workmanship-like manner to complete the construction across each landowner's property to reduce inconvenience to the landowner.

PUCNU will minimize the impacts of the construction process on all affected parties. PUCNU will contract only with qualified and knowledgeable contractors who have previously performed satisfactory work. The pipeline will meet or exceed all federal safety standards applicable to transportation of natural gas by pipeline.

The construction will generally proceed in the following order:

1. Clearing and grading the right-of-way (as necessary)
2. Haul and string the pipe
3. Trenching
4. Pipe bending
5. Pipe welding
6. X-ray welded joints
7. Field coat welds
8. Lower pipe in trench
9. Backfilling
10. Pressure testing
11. Right-of-way restoration

2) Explanation of the steps which must be taken to acquire right-of-way for the pipeline and of the rights and alternatives of the owner.

A. Right-of-way requirements. The PUCNU is proposing to acquire a permanent fifty foot wide right-of-way for the proposed project. The easement will be limited to a single pipeline in the proposed right-of-way. The PUCNU may also request temporary workspace adjacent to the permanent easement, if necessary, at locations such as road crossings.

Where possible, the new pipeline will be located on PUCNU's existing easements such as public right-of-way located inside the New Ulm city limits. Access to PUCNU's easement will generally be by public roads. If necessary, the contractor may negotiate with the landowner for other access.

Approximately 31 landowners will be affected as a result of the construction of this pipeline.

B. Damages. PUCNU is responsible for temporary construction damages to crops, grazing lands, timber, fences, drain tiles, and underground utilities directly caused by pipeline construction and maintenance. The time schedule for the construction of the pipeline will include consideration of agriculture land under irrigation. Settlement for damages as a result of construction will be pre-paid at the time the easement is acquired or, if the landowner desires, upon completion of the project.

PUCNU will endeavor to accommodate any special requirements requested by each landowner for construction of the proposed pipeline.

C. Easements. According to Minnesota Statutes, section 116I.02, the PUCNU may not contact landowners for the purpose of obtaining easements for the pipeline until thirty days after the county's informational meeting, and after the landowner from whom the easement is being requested is provided a copy of this information book. Sometime after the waiting period required by law is completed, each landowner will be contacted by representatives of PUCNU for the purpose of discussing the acquisition of an easement for the pipeline.

D. Eminent domain. Landowners need not voluntarily give an easement to the PUCNU. If the landowner and PUCNU cannot reach an easement agreement, the PUCNU may acquire the land necessary to construct the pipeline through the use of eminent domain law. If this does happen the court will determine the amount of compensation that will be paid to the landowner.

3) Explanation of the legal requirements that must be met in constructing the pipeline.

The United States Department of Transportation has jurisdiction for transportation of natural gas by pipeline. Federal safety regulations (Title 49 of the Code of Federal Regulations part 192) prescribe minimum standards for design requirements, construction, hydrostatic testing, and operation and maintenance. PUCNU's construction specifications will meet or exceed all of those standards. The Minnesota Office of Pipeline Safety will monitor construction of the proposed pipeline and has an ongoing responsibility for monitoring the pipeline for compliance with federal safety regulations.

A. Minnesota's depth of burial requirements. Minnesota Statutes, section 116I.06 requires that the following criteria be met in pipeline construction.

1. The pipeline shall be buried with a minimum cover of not less than four and one-half feet in all areas where the pipeline crosses the right-of-way of any public drainage facility or any county, town or municipal street or highway and where the pipeline crosses cultivated agricultural land. The landowner may waive the minimum depth of cover requirement. The waiver of the minimum depth of cover requirement shall be effective only if the waiver:
 - a. is separately and expressly stated in the easement agreement and includes an express statement by the landowner acknowledging that he had read and understood the waiver,
 - b. is printed in capital letters in a language understandable to an average person not learned in the law, and
 - c. is separately signed or initialed by the landowner.

Governmental subdivisions also have the right to waive the minimum depth requirement or to adopt and enforce by ordinance or resolution, rules requiring a greater depth of cover for the protection of public roads and drainage facilities under their jurisdiction.

2. The County Board may establish by ordinance, reasonable standards and conditions for pipeline construction within the county that are necessary to protect and restore cultivated agricultural land crossed by the pipeline and to mitigate the adverse impact of pipeline construction on the productive use of that land. These standards may include such matters as the restoration of drainage tiles, drainage patterns, soil compaction and the removal of rocks and debris after construction.

3. Any owner or lessee of any real property or any person acting with the authority of that owner or lessee, who, in the ordinary conduct of agricultural operations upon that property, causes injury to any underground pipeline, shall not be liable for any of the direct or incidental costs of repairing, restoring or replacing the pipeline, in the absence of a showing of gross negligence or willful or wanton misconduct. The term “ordinary conduct of agricultural operations” does not include well drilling or other types of excavation. It does include installation or repair of agricultural drainage tile only if that person gives oral or written notice to the One Call Excavation Notice System.

B. Other permit requirements. Depending on the method of construction used the following permits may be required prior to construction or operation of the pipeline:

1. Water Crossing Permits
 - United States Corps of Engineers
 - Minnesota Department of Natural Resources
2. Utility Permits
 - Minnesota Department of Transportation
3. Temporary Water Appropriation Permits
 - Minnesota Department of Natural Resources
4. Water Discharge Permits
 - Minnesota Department of Natural Resources
5. Road Crossings Permits
 - City, County, Township and State
6. Railroad Crossing Permits
 - Individual Railroad Company

The Environmental Quality Board (EQB) staff has reviewed the EQB's Environmental Review Program Rules (Minn. Rules, part 4410.4300 Subpart 7) to determine if an Environmental Assessment Worksheet (EAW) is required. Staff review has determined that an EAW will not be required for this project because it falls below the EAW mandatory threshold. Because the operating pressure is lower than the specified amount, EQB staff has also reviewed the EQB's pipeline Routing Rules (Chapter 4415) and determined that a pipeline routing permit is not required because the operating pressure does not exceed 275 PSIG.

While this proposal does not require mandatory environmental review, PUCNU will ensure that all environmental concerns are adequately addressed and will update the EQB and the Brown County Board on how landowner or governmental concerns have been addressed.

4) Explanation of the county inspection procedure and instructions for contacting the inspector in the event of noncompliance with legal requirements.

Minnesota Statutes, section 116I.6, subd. 7., provides that before beginning construction PUCNU shall pay an inspection fee to the County Treasurer of Brown County of \$500 for each mile or fraction of a mile of pipeline that will be constructed in that county. The sum to be paid to Brown County under this formula will be \$2,500.00

The County Board shall designate an inspector who shall conduct on-sight inspections of the construction to determine whether the pipeline is constructed in compliance with the provisions of (Minnesota Statutes, section 116I.06) and other ordinances or resolutions adopted by the county. If the PUCNU or its contractors fail to comply with the law or ordinances, the inspector shall report that failure to the County Board and notify the PUCNU specifying the violation and the action to be taken. The inspector shall maintain a written log including all comments and complaints concerning the pipeline construction. The log shall also note any complaints concerning failure to settle claims filed by the landowners.

Exhibits

The following drawings depict the proposed pipeline route and detail some of the standards that PUCNU has included in the construction specifications for this project.

- Exhibit A Route Map
- Exhibit 1 Fence Repair
- Exhibit 1A Fence Restoration Details
- Exhibit 2 Typical Drain Tile Restoration
- Exhibit 3 Typical Uncased Road Crossing-Unimproved Road Open Cut Method
- Exhibit 4 Typical Natural Gas Pipeline Undercrossing all Roads and Highways
- Exhibit 5 Stream and Ditch Crossing

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